

Trade Invest Monthly

Hawaii's International Business Network

HAWAII NOTICES

Foreign Trade Export Seminar

The Census Bureau (Foreign Trade Division), Department of Commerce (Bureau of Export Administration), Department of Treasury, and Department of State Customs are sponsoring a workshop to help companies (exporters, freight forwarders, customhouse brokers, carriers, etc.) with current export regulations and requirements. Speakers for the seminars will include FTD staff and trade specialists from government and private organizations.

The event will take place on February 21, 2002, from 7:30AM to 1:15PM at the Hawaii Convention Center, Honolulu. Cost: \$75 First Person / \$65 for each additional person from the same group.

For more information or to register please contact Jan Crawford at (703) 893-8080, e-mail: jrcrawford@imsja.com or Lauren Suekawa or Valerie Goo: U.S. Customs; (808) 861-8454.

Discussion Topics

Shipper's Export Declaration (SED)

Legal Requirements
U.S. Principal Party in Interest (USPPI)
Step-by-step process of filling the a Shipper's Export Declaration (SED)
SED Exemption Statements
Confidentiality of SED Data

Automated Export Systems (AES)

What is Automated Export System?
Benefits of AES
Export Filing Options

Commodity Analysis

Structure
Export/Import Classification
Canadian Data Exchange
Data Processing

Customs

Customs Law Enforcement Authority
What Customs Looks For
Trade Responsibilities
Common Misconceptions
Filing Options

DBEDT Representatives in Beijing and Taipei

DBEDT has business assistance representatives in Beijing and Taipei, Mr. Bo Wu (Beijing office) and Mr. Alex Lei (Taipei office). They are the State of Hawaii's in-country contacts that assist Hawaii companies with trade and business opportunities in China and Taiwan. For more information please contact Mr. Richard Bahar, DBEDT, at (808) 587-2769 or e-mail at rb@dbedt.hawaii.gov

Financing Opportunities for Exporters of U.S. Agricultural Products

Source: Western United States Agricultural Trade Association (WUSATA). The U.S. Department of Agriculture administers a Supplier Credit Guarantee Program (SCGP) to help U.S. exporters and importers reduce risk, expand market opportunities, and increase profit opportunities. The goal of the program is to make it easier for exporters to sell U.S. food products in overseas countries by insuring short-term, open account financing.

- The exporter, under the security of the SCGP, can become more competitive by extending longer credit terms. They can also increase the amount of credit available to foreign buyers. SCGP operates on a risk-sharing basis – USDA offers a 65% guarantee of the value of the export (including freight coverage). The exporter retains the other 35% of the risk of default. As the exporter bears 35% risk, they are motivated to ensure that the buyer is a good credit risk.
- The importer benefits from increased purchasing power and profit opportunities. Cash flow is improved with longer credit terms.

This program is attractive for smaller transactions where buyers need a lower cost payment option. Rather than using a letter of credit, SCGP relies on a promissory note issued by the importer to the exporter. USDA guarantees payment of the promissory note for up to 180 days.

Cost for the SCGP – paid for by the exporter – is \$0.45 per US\$100 up to 90 days, and \$0.90 per US\$100 for payment periods from over 90 days to 180 days.

Please refer to their website for more information: www.wusata.org

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Photo: Kualoa, Oahu

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Worldwide Market Reports

Due to the large number of requests for reports, we have made the request process easier to better serve you. To request reports, send the request form by Fax: (808) 587-3388 or email: tradeinvest@dbedt.hawaii.gov. The report service offered is reserved for Hawaii companies only.

If you are outside of Hawaii and are interested in the reports highlighted in our newsletters, please go to the United States Department of Commerce website, www.stat-usa.com. You will have the choice of ordering the reports you need for a small fee or you can subscribe to their service for an annual fee and have unlimited access to all reports and services. Also, some of these market reports are located at www.usatrade.gov

Advantages of Canadian Price List

Source: U.S. & Foreign Commercial Service - Canada. To gain more of a competitive advantage in the Canadian market, U.S. exporters of products or services to Canada may wish to consider using a Canadian Dollar price list.

Although the U.S and Canadian markets share many similar and routine components, the Canadian price list should be of interest to U.S. companies that are:

1. Experiencing stiff competition from either Canadian suppliers or other competitors;
2. Looking for a kick-start to a marketing campaign for either a new product or an existing line;
3. Coming into Canada as new-to-market and need an advantage to attract new buyers;

(Continued on page 4)

Korea – Business Opportunities From New Deluxe Tourist Hotels

Source: U.S. & Foreign Commercial Service – Seoul. The Korea Tourism Research Institute reports that due to lifestyle changes (introduction of a five-day work week) and the hosting of 2002 World Cup soccer games, the domestic tourism industry is expected to grow by 8% in 2002.

In addition, the Korean government has made the necessary policy implementations to further develop the tourism industry, as evidenced by the Ministry of Culture and Tourism's "Visit Korea 2001" program.

With all of these changes, the U.S. & Foreign Commercial Service in Seoul feels that the overall growth potential for

(Continued on page 4)

WUSATA Market Studies and Research Available Online

The *Western United States Agricultural Trade Association (WUSATA) frequently sponsors in-depth market studies and is now making these results available online to qualifying Western U.S. companies. Currently there are four studies posted on the WUSATA website.

➤ Canadian Market for Organic Natural Food Products

Canadian market accessibility and potentials are discussed for the following products: Canned fruits/vegetables, soups, beans, dried fruit, fresh fruit and produce, grain products, beverages, refrigerated processed meats, shelf stable foods and frozen foods.

➤ Nutraceutical Market Research Report

Japan market opportunities, structure and

(Continued on page 4)

China News (please request reports for more details)

Hong Kong Retailers Expanding in Post - WTO China - Source: U.S. Department of Agriculture

Hong Kong. With China's accession to the WTO, Hong Kong-based retailers are expanding further into southern China. For example, Japanese-controlled *Jusco Stores Hong Kong* currently has eight stores in Hong Kong and two stores in China. It plans to invest about HK\$400 million over a five-year period to open seven more general stores in southern China, and three more stores in Hong Kong. *Dairy Farm*, which operates 68 7-Eleven stores in southern China, plans to open another 70-80 outlets next year.

Plans to launch research into 12 key technologies - Source: U.S. & Foreign Commercial Service

The Ministry of Science and Technology will concentrate on super scale integrated circuits and computer software, information security systems, e-administration and e-finance, functional gene-chips and bio-chips, electric automobiles, magnetic levitation trains, new medicines and modernization of production of traditional Chinese medicines, intensive processing of farm produce, dairy product manufacturing, food security, water-conservation farming, water pollution control and the establishment of technical standards.

Auto service sector to offer new business opportunities - Source: U.S. & Foreign Commercial Service

China's auto services sector should offer ten new business opportunities in after-sales & service. This is good news to U.S. exporters as the U.S. has advantages in these sectors. The ten predicted business opportunities:

After-sale Services, Auto Parts Sales, Auto Insurance, Auto Financing, Auto Industry Investigation, Auto Advertising, Intelligent Transport including Vehicular Systems and Public Systems, Auto Entertainment, Auto Clubs, and Auto Culture (AC).

Foreign investors gain access to service market in Western China - Source: U.S. & Foreign Commercial Service

According to a recent decree that the central government issued to local governments, foreign investors now enjoy wider access to the service market in western China than anywhere else in the country, and China will allow foreign investors to put funding into banking, retail and foreign trade sectors in all provincial capital cities in the western part of the country.

2nd Guangzhou to Zhuhai Highway under construction and due to finish in 2004 - Source: U.S. & Foreign Commercial Service

The highway will be 6 lanes and 120 kilometers in length, starting at Guangzhou's south ring road, going through Nanhai, Shunde, Zhongshan, and ending at Heng Qin Island in Zhuhai.

Foshan to build metro line to Guangzhou - Source: U.S. & Foreign Commercial Service

Foshan City plans to invest approximately RMB \$1.21 billion yuan (approximately US \$ 150 million) in building a 24-kilometer metro line to connect their city center with Guangzhou. The new Foshan-Guangzhou Metro line is scheduled to open for service in 2005.

Wind power – New development trend - Source: U.S. & Foreign Commercial Service

Guangdong plans to become a pioneer in use of concession for its wind resource development. The Huilai Shibe Mountain Wind Farm project in the west of Guangdong has been selected to be the experimental project to practise and test the wind power concessions.

Disney's Wild Ride in Mongolia - Source: U.S. & Foreign Commercial Service

A Mongolian school tried to stage an elaborate show using unlicensed Walt Disney Company materials. The U.S. Embassy, the Intellectual Property Office Of Mongolia and Disney put a stop to this violation. This incident prompted Disney to explore business opportunities in Mongolia.

Japan News

In the News

Recent reports from various Japanese mass media and food press:

- In its first year operating in Japan, the sales of *Carrefour's* three outlets did not reach its sales targets. *Carrefour's* strategy to sell domestic products at a discount price and with a European-style of service did not appeal much to the Japanese consumers as it was not unique to other supermarkets. *Carrefour* is now shifting to a Japanese-style service and is increasing its European products such as wines and clothes to differentiate itself from other supermarket rivals. (12/13/01 issue of *The Nikkei Marketing Journal*).
- Sales at Costco's second outlet in Makuhari, Chiba were about 7 billion yen in 2001 – less than half of what they expected. Expenditure per customer, however, increased coming close to the U.S. average of \$100. (12/13/01, *The Nikkei Marketing Journal*).
- According to mid-year financial statements, six convenience store chains - including *7-Eleven*, *Lawson*, and *Family Mart* – experienced a reduction in sales compared to last year on a same-store basis. Part of the reason is that young people spend more on their phone bills rather than on convenience store purchases, and due to price competitiveness of rival fast food chains (11/22/01, *The Food Industry News*).
- According to the Japan Department Stores Association, 28 department stores in the Tokyo area sold approximately 14 billion (approximately US \$116.7 million) in September. This represented a 2.1% increase over the September 2000 sales. (11/11/01, *Senken Shinbun*). The *Senken Shinbun* found that consumers, especially young women, are buying new clothing again after refraining from shopping last fall and winter due to the bad economy. The Japanese market is divided into two extreme segments – cheap, but simple and basic, or expensive, but value-added. Source: U.S. & Foreign Commercial Service – Osaka.

2002 WHOLESALE MARKETS BUSINESS CALENDAR

U.S. & Foreign Commercial Service published a report announcing the 2002 business open/close schedule for selected central wholesale markets in major Japanese cities and regions (Sapporo, Yokohama, Tokyo, Nagoya, Kanazawa, Osaka, Kobe, Okayama, Hiroshima, Kita-Kyushu, Oita, and Kagoshima). Information was provided by Minato Shinbun, and Kaneshime Takahashi Suisan (Sapporo). The calendar takes into account the Japanese national holidays and customary holidays. The calendar/report is available at DBEDT's Product Trade Branch. Please call 587-2485 or email: tradeinvest@dbedt.hawaii.gov

Study USA 2002 Japan Exhibition

Source: U.S. & Foreign Commercial Service – Japan. The U.S. & Foreign Commercial Service is hosting a Study USA Fair in Tokyo (2 days), Osaka, Nagoya, and Sapporo.

Study USA Fair is a student-recruitment fair for U.S. schools wishing to recruit students from Japan.

Japan is the number one country for U.S. schools looking for U.S. students. In 2000, 193,779 Japanese students departed Japan to study abroad, almost half of them went to the U.S.

Most Japanese educators and students are knowledgeable about the merits of U.S. higher education, and the students are able to afford the quality education that the U.S. offers.



The details are as follows:

Participation in the Tokyo show is required to exhibit in Osaka, Nagoya, and/or Sapporo.

- Saturday & Sunday, March 16-17, 2002 – Tokyo Metropolitan Area, \$3,000
- Monday, March 18, 2002 (4:00 p.m. – 8:00 p.m.) – Osaka Event, add \$750
- Tuesday, March 19, 2002 (4:00 p.m. – 8:00 p.m.) – Nagoya Event, add \$500
- Thursday, March 21, 2002 (Holiday, 12:00 p.m. – 5:00 p.m.) – Sapporo Event, add \$250

Study USA 2002 Tokyo is a two-day show held concurrently with "Global Communication World 2002 (G-COM World 2002)", a language learning and comprehensive international education show which will attract an estimated 20,000 people from the education field, English language students and the general public interested in international studies.

Exhibitor qualifications:

U.S. schools and education programs (not only colleges, but also ESL and vocational schools are welcome)

Study abroad agents may not exhibit unless they represent a U.S. school or program. In principle, one booth/table per exhibitor. Two schools may share one booth/table, but only under one participation agreement and one signage.

The Commercial Service of Japan has the right of final acceptance of each school.

For more information on Study USA 2002 Japan, please contact the following:

Ms. Mieke Muto – Commercial Specialist
Commercial Service, U.S. Embassy, Tokyo
1-10-5, Akasaka, Minato-ku, Tokyo 107-8420 Japan
Tel: +81-3-3224-5317; Fax: +81-3-3589-4235
E-mail: mieke-muto@mail.doc.gov

Study USA Japan is a part of the Pan Asian Study USA tour. More information on the Study USA Fairs in other countries can be found at <http://www.susa.gov>.

Japan – Import information for Various Product Sectors

Source: Japan External Trade Organization (JETRO). For new-to-market businesses and individuals, JETRO provides import and market information for a wide variety of product categories.

The next set of product categories that may be of interest to Hawaii companies are as follows:

- Edible Seaweed
- Ice Cream
- Imported Housing
- Beer
- Golf Equipment
- Health Foods

Other product categories will be announced in future issues. Specific reports are available upon request.

Canadian Price List*(Continued from page 2)*

4. Dealing with buyers faced with multiple lines and category pricing, such as hardware supplies; and
5. Interested in building a strong, long-term link with a significant Canadian buyer.

The Canadian Dollar price list is one competitive strategy to consider for selling to Canada. This strategy could have transfer value to other markets, and through the experience gained in Canada, the U.S. exporter may find more interested buyers in other foreign markets.

The current exchange rate difference between the U.S. and Canadian Dollar has placed certain U.S. firms at a competitive disadvantage in the Canadian market. With the exchange rate difference, Canadian buyers must spend considerable time factoring the exchange rates into their purchasing programs.

On a cautionary note, U.S. companies are recommended to work with their own bank to ensure that the staff are in step with the exchange process and are ready to accept Canadian Dollars.

Also, charges independent of the exchange rate, from that institution back to the U.S. company for this service will need to be taken into account when building a Canadian Dollar price list.

Korean Business Opportunities*(Continued from page 2)*

new construction of deluxe hotels in Korea is promising for U.S. companies seeking opportunities in Korea's deluxe tourist hotel construction market.

There are more than 5 million foreign tourists visiting Korea every year, with an average annual rate increase of 7%.

According to Korea National Tourist Organization (KNTTO), a government-invested agency, more than 10 deluxe tourist hotels are required to be built in major metropolitan areas and cities of tourist attractions in order to accommodate the increasing tourist count.

Over the past 10 years, although the number of tourists has risen 70%, construction of new tourist hotels have only grown by 10%.

The Korean government and private sector have come to realize that there is tremendous potential to transform tourism into a key national industry, and are thus seeking foreign investor's participation in the construction of luxury tourist hotels.

WUSATA Market Reports*(Continued from page 2)*

situation as well as consumer awareness, perception, knowledge and profiles are assessed.

➤ **European Markets for Northwest Nursery Products**

Study looks at key markets, trading environments, opportunities and contacts in the European market. Countries focused on are: Germany, Italy, France, United Kingdom, and the Netherlands.

➤ **Japanese Market for Western Greenhouse Tomatoes**

While this report focuses on the potential for Arizona greenhouse tomatoes, other U.S. tomato suppliers are encouraged to look at this report. It provides information on product packaging standards and contact information for Japanese importers, wholesalers, retailers, and food service companies.

To access these reports please contact Monique Danielle at 360-693-3373 or by email: monique@wusata.org. If you are eligible, you will be given a password and user ID.

* WUSATA, is a non-profit organization that promotes the export of food and agricultural products from the Western region of the United States. In conjunction with its 13 member states, a wide range of services are provided to facilitate trade between local food companies and importers around the world. Member states are: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. For more information please go to www.wusata.org.

Report Request Form**Trade Invest Monthly****Hawaii's International Business Network**

Company: _____

Contact person: _____

Address: _____

City: _____

Zipcode: _____

Telephone: _____

Facsimile: _____

Email: _____

Report(s) requested:

- ☐ Canadian Price List Report
☐ Korea Opportunities—Deluxe Hotels
☐ Japan Wholesale Market Bus. Calendar
☐ Study USA Japan Exhibition

China News

- ☐ Hong Kong Retailers Expanding
☐ Research - 12 key technologies
☐ Auto service sector opportunities
☐ Service market in Western China
☐ 2nd Highway Guangzhou to Zhuhai
☐ Metro line Foshan to Guangzhou
☐ Wind power trend
☐ Disney's Wild Ride in Mongolia

Japan Product Sector Reports

- ☐ Edible Seaweed ☐ Ice Cream
☐ Imported Housing ☐ Beer
☐ Golf Equipment ☐ Health Foods

OTHER REPORTS (reference issue date):

Please fax this completed form to (808) 587-3388,
or Email your request to:
tradeinvest@dbedt.hawaii.gov

All reports are mailed in hard copy format only.

**WUSATA TARGETED EVENTS** (see article on page 2 - Market Reports)www.wusata.org**3/12/2002 to 3/15/2002 FoodEx 2002, Tokyo, Japan**

contact: Randy Parker Phone: (801) 538-7108 E-mail: agmain.rparker@state.ut.us

4/1/2002 to 4/3/2002 Food Ingredients, Shanghai, China

contact: Laura Johnson Phone: (208) 332-8533 E-mail: ljohnson@agri.state.id.us

4/9/2002 to 4/12/2002 Food & Hotel Asia, Singapore

contact: Alan Di Stefano Phone: (775) 687-4325 ext.227 E-mail: ccintl@bizopp.state.nv.us

5/15/2002 to 5/17/2002 Neutraceutical Food Ingredients, Tokyo, Japan

contact: Alan Di Stefano Phone: (775) 687-4325 ext.227 E-mail: ccintl@bizopp.state.nv.us

6/1/2002 to 6/1/2002 Consumer Food Products, Mexico

contact: Jon Sonen Phone: (509) 457-7137 E-mail: jsonen@agr.wa.gov

6/1/2002 to 6/1/2002 Consumer Ready - Retail, Taiwan

contact: Janet Leister Phone: (360) 902-1931 E-mail: jleister@agr.wa.gov

6/1/2002 to 6/1/2002 Edible Seaweed Tokyo, Japan

contact: Dean Toda Phone: (808) 587-0030 E-mail: aquacult@aloha.com

6/1/2002 to 6/1/2002 Food Ingredients, Japan

contact: Eric Hurlburt Phone: (360) 902-1933 E-mail: ehurlburt@agr.wa.gov

6/26/2002 to 6/28/2002 Food & Hotel South China 2002 Guangzhou, China

contact: Robert Chang Phone: (415) 433-3072 E-mail: comtours@aol.com